Mr. Subba Aiyar:—

"Whatever be the expenditure it will be realised from the Estates."

Seconded by Mr. Rajaram Row.

Carried.

Mr. Subba Aiyar:—

"The Bill is a short one, and I do not think that it is desirable to send it to a Select Committee for consideration. Rule 33 says that the Council may decide whether it is desirable to send a Bill to the Select Committee."

President:—"I do not think that it is necessary to send this Bill to a Select Committee for consideration. There is nothing for a Select Committee to consider beyond what has been considered just now."

Mr. Subba Aiyar:—

"I beg to move that the Bill be not referred to a Select Committee."

Seconded by Mr. Rajaraja Varma.

Carried.

Mr. Subba Aiyar:—

"Under Rule 48, the Bill cannot be considered to-day. I therefore beg to move that the Bill be considered on a future day of which notice shall be given."

Seconded by Mr. Rajaraja Varma.

Carried.

THE CENSUS BILL.

Mr. Subba Aiyar:—

"I beg to move that the Census Bill be finally read and passed."

Seconded by Mr. Rangaswami Aiyangar.

Carried.

President:—

"Gentlemen,

I believe that the Council would expect from me some closing observations by way of reply to the speeches made by the Non-Official Members with reference to the Budget discussion that has taken place to-day. For that purpose, it seems to me that we may meet to-morrow at 3 P. M."

The Council adjourned at 4-55 P. M. and met again the next day at 3 P. M. All the Members that attended the previous day, except Mr. Rangaswami Aiyangar, were present. The President then spoke as follows:—

"GENTLEMEN,

I thank you very sincerely for the very kind and hearty welcome you have extended to me. I take it as the earnest of a genuine non-official co-operation with me in my arduous task of administering the State, and let me assure you that I would need that co-operation in ample measure if anything like success is to attend my efforts. I fully realise the difficulties of administering a State in these days of great world changes and rapidly increasing political consciousness among the people and specially a State so full of promise and intellect and progressive ideas like Travancore. Your co-operation will lighten my task considerably and I deem myself fortunate in obtaining from you an assurance in regard to it. I may add that I am also fortunate in having come to serve a Ruler who is so well known for his wisdom and insight and his solicitude for the welfare of his subjects. I feel that under the guidance of such a wise Ruler and with your kind co-operation, I can achieve something before I lay down the reins of my office. Permit me to congratulate you on the very high level of your Budget discussion and the insight into administrative problems which it discloses. There is hardly a subject of importance on which you have not touched and you have given me ample food for thought.

I do not propose to traverse the ground already covered by my opening speech and the answers to interpellations; nor do I propose to reply to your remarks *in extenso*. Your discussion has been so comprehensive and so minute that I think you will agree with me when I say that it is impossible for me to attempt a detailed reply to it, with my present limited experience of the administration of the State. I would therefore confine myself to what I consider are the most important points raised in your discussion.

Many of you have referred to the desirability of having a Budget Committee composed of officials and non-officials for the preparation of the Budget. Government recognise the importance of this suggestion and it will be carefully considered. Govern-

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ment agree with you when you say that you should be given more time to consider the Draft Budget; arrangements will be made to give effect to this as far as possible. Your other suggestions in regard to the preparation of the Budget, the classification of budget heads, etc., will also receive attention.

I quite sympathise with those Members that have pleaded for more communications, and for a preference being shown to communications over architectural buildings. I think that so long as our resources are such that we cannot provide amply for both, this preference should be borne in mind. Costly and ornamental buildings may wait, but communications cannot wait without seriously affecting the development of the country, and it must also be remembered in this connection that the more backward a tract the more urgent is its need for communications, and the fact that it does not bring in a proportionate revenue to the coffers of the State should not deter us from improving its communications. Unless this is done, the backward and poor tracts will stagnate and can never compete with the more advanced parts of the State and add to its general welfare.

The improvement in the salaries of the Judicial service has been pressed with great ability by Mr. Krishna Aiyangar and also by a few other Members. As I have already stated in reply to one of the interpellations, this matter will receive attention. Government recognise that the pay of the Judicial officers is in need of improvement; and whatever could be done for them will be done promptly.

Puduval registry has come in for a large share of criticism. I may inform the Council that that is one of the matters that are receiving my immediate attention.

Before introducing any changes in Vernacular Education, I should like to wait for the report of the Committee appointed to examine the question of educational expenditure. This Committee has necessarily to consider and offer suggestions on our Vernacular Education policy and the considered suggestions of the Committee are bound to be very helpful.

Almost every Member has dealt with the Abkari question. This, the Council will, I believe, concede, is a question bristling with difficulties and one in regard to which there is much diversity of opinion. While, on the one hand, it cannot be denied that Abkari is one of the main sources of revenue to all Governments, the derival of that revenue from drink is on the other hand considered to be morally objectionable. It should not, however, be forgotten that absolute prohibition of drink is one of the most difficult things to achieve and that the taxing of a harmful luxury like drink is the most effective way of keeping its consumption down. We have been here pursuing practically the policy pursued by the British Indian Government of deriving a maximum revenue from a minimum consumption and if, in spite of this policy, our consumption of drink shows an increase as it has recently done, it only means, I think, that either the people's purchasing power or their hankering after drink has increased and that either way the article should be made more costly by a substantial increase in the rate of duty with a view to reduce its consumption. The whole question is, as I have already said, beset with financial and other weighty difficulties and a change in the policy in regard to it cannot be hastily made.

The last point on which I should like to say something specific is the suggestion of some of the Members that the State should subsidise Municipal bodies more liberally. One Member went even so far as to say that local bodies have a claim on the general revenues of the State, but I may be permitted to state that this is not the accepted view of modern finance. It is coming to be more and more recognised that the general taxpayer should not be made to pay for services required by particular localities and that such services should be met mainly by local taxation. Otherwise the strain on general revenues would become too great. It must, I think, be our policy also to see that local bodies like Municipalities become more and more self-supporting. I recognise that this policy cannot be given effect to all at once without serious dislocation of the work of those bodies; but it must be our aim to work towards it gradually. The powers of taxation conferred on Municipal bodies by the new Municipal Regulation are, I find, very inadequate as compared with powers of similar bodies in British India, and I agree with Mr. G. Parameswaran Pillai that the Chapter dealing with Taxation in the new Municipal Regulation requires early revision. Meanwhile, the State must continue to subsidise these bodies as far as its financial resources permit.

You have touched on many other matters of importance such as the reduction of the cost of the services, the readjustment and improvement of the existing scheme of taxation, the adoption of a bold policy in regard to reproductive works such as Railways and Irrigation schemes, the better encouragement of the development and social welfare departments, the starting of a State Bank and the conduct of an economic survey of the

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States. Each one of these matters is of such momentous importance that it is unsafe to dogmatise without a very careful investigation and consideration, and the thorough examination and satisfactory solution of some of these problems may even involve the appointment of committees and the deputation of officers on special duty. All that I can now do is to assure the Council that these matters will receive attention at the hands of Government.

The Government do not consider it necessary to effect any immediate changes in the Budget figures as the result of yesterday's deliberations. Our Budget figures are, it must be remembered, not final in the sense that they are unalterable, and if Government find that they can be altered to advantage in the light of the experience to be gained in the course of the year, Government will not hesitate to do so.

With these remarks, gentlemen, I declare the meeting dissolved".

The Council adjourned at 3-15 P. M.

K. NARAYANAN PANDALAY,
Secretary to the Council.

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